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France

Planting Seeds

Annual

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Approved by:

Kurt Seifarth
U.S. Embassy

Prepared by:

Marie-Cécile Hénard

Report Highlights:

France is the largest seed producer in the European Union and the world's third largest exporter of planting seeds after the United States and the Netherlands. Half of French certified seed production is straw cereals, principally wheat. In 2003, biotechnology continues to be a major concern for the French seed industry and seed customer. There is currently no commercial production of biotech crops in France and biotech test plots continued to be targeted by activists. France has a trade deficit in planting seeds with the United States. The largest category of U.S. seeds exported to France is, by far, corn seeds, followed by soybean seeds and sunflower seeds. French imports of U.S. corn seeds have increased significantly in the past few years, despite the competition with Hungarian, Chilean and domestic corn seeds.

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Executive Summary

France is the largest seed producer in the European Union and the world's third leading exporter of planting seeds after the United States and the Netherlands. Half of French certified seed production is made of straw cereals, principally wheat. In 2003, biotechnology continues to be a major concern for the French seed industry and seed customer. There is currently no commercial production of biotech crops in France and biotech test plots continued to be targeted by activists. France has a trade deficit in planting seeds with the United States. The largest category of U.S. seeds exported to France is, by far, corn seeds, followed by soybean seeds and sunflower seeds. French imports of U.S. corn seeds have increased significantly in the past few years, despite the competition with Hungarian, Chilean and domestic corn seeds.

Section I: Production, Regulation and Trade

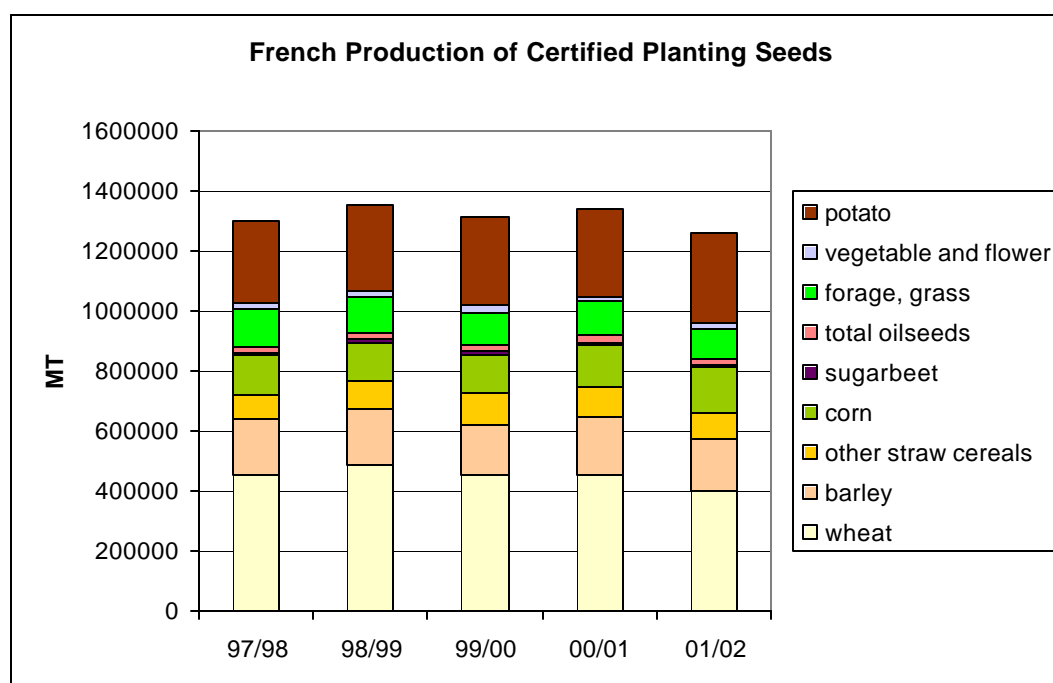
Production

France is the largest seed producer in the European Union.

General seed sales grew throughout the 1980's, dropping slightly in the early 1990's due to the 1992 CAP reforms, but recovered in the mid 1990s as higher farm gate prices allowed farmers to buy certified seeds instead of using on-farm produced seeds.

There are four French seed companies among the world's top 20 seed companies: Groupe Limagrain (#4, cooperative, Euro 873 million sales), RAGT Génétiques (#17, private company, Euro 110 million sales), Euralis Semences (#18, private company, Euro 105 million sales), and Union In Vivo (#20, cooperative, Euro 90 million).

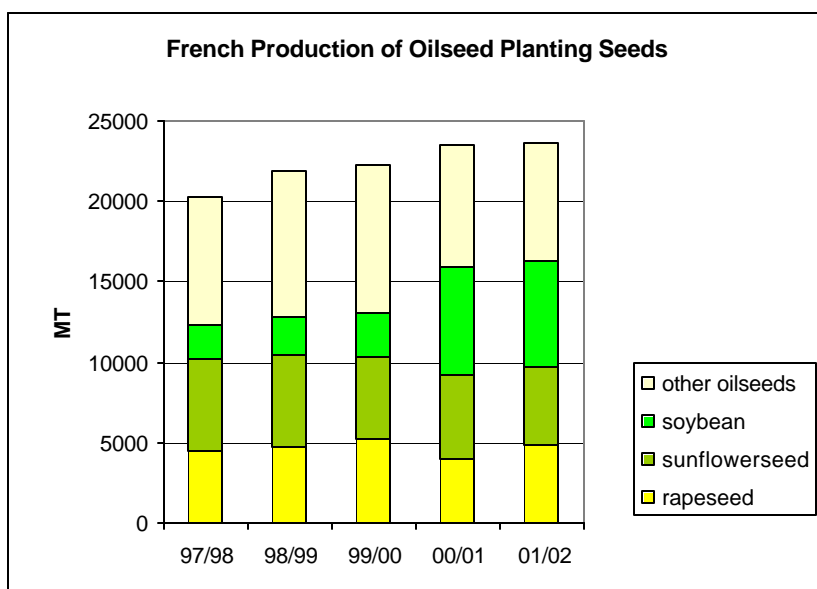
The two graphs below illustrate the breakdown and trends in French Production of certified seeds, based on the French planting seed association (GNIS):



Straw cereals dominate French production, while oilseeds represent a marginal part of the production of certified planting seeds. Wheat is the leading species represented, but production of certified seeds of wheat has gradually declined since 1998/99.

The graph below indicates the breakdown and trends of the French production of certified oilseeds (according to GNIS). It shows that domestic production of soybean seeds has developed significantly in the past two marketing years.

While the area planted to soybeans (80,000 ha) in France is minor compared to the areas planted to rapeseed (1 million ha) and sunflower seed (700,000 ha), French production of certified soybean seeds is larger than that of rapeseed and sunflower seeds. This is a result of the growing concern over biotech seeds in France. A large share of soybeans grown in France is geared for food and/or organic production.



Seed Certification – Variety Approval

The French seed registration system is fully integrated within the EU seed registration framework. Seeds registered in any of the EU member states are now also registered in France, and vice versa.

The French seed sector is regulated by three main organizations. The "Permanent Technical Committee for Seed Selection" (in French "Comité Technique Permanent de la Sélection," or CTPS) is a technical committee answering to the French MinAg. CTPS is made up of representatives of the French MinAg, seed producers, traders and end users. CTPS sets the technical rules for registering seed varieties in the French Seed Catalogue. Any petitioner registering a new seed variety in the French Seed Catalogue must submit a detailed file to the CTPS.

To get into the French Seed Catalogue, a new variety has to pass several tests. These tests compare their agronomical and technical values to control varieties and measure their stability and homogeneity. The Study and Control Group for Varieties and Seeds (in French "Groupe d'Etudes et de Contrôle des Variétés et des Semences," or GEVES) conducts these studies on 100,000 test plots across France. GEVES is made up of representatives from the French MinAg, the National Institute of Agricultural Research (INRA), and the French seed industry organization (in French "Groupement National Interprofessionnel des Semences," or GNIS). Please see GEVES website for more information: <http://www.geves.fr> (in French)

If a new variety passes the tests, it is listed in the French Official Seed Catalogue and is registered for the entire EU. Varieties registered in the European seed catalogue are listed on the GNIS website, which also contains information in French and in English on seed certification: <http://www.gnis.fr>

Certified seed production is controlled by the "Service Officiel de Contrôle et de Certification" (SOC), which is the joint responsibility of GNIS and MinAg. The MinAg establishes the official criteria for certification. Random tests in the field and at processing plants verify the sanitary status of the seeds, the germination capacity and the moisture level. The SOC has the power to levy administrative and economic penalties, including fines and plant closures.

Intellectual Property Rights (Plant Variety Protection/Plant Patents)

In France, the framework protecting new seed varieties is the 1961 UPOV (Union pour la Protection des Obtentions Végétales) Convention, which was strengthened by the 1991 Act (UPOV 1991). The UPOV system is designed to protect the work of breeders, takes into account users' needs, and specifically reserves rights for further variety development. The production and sale of a protected variety are subject to the approval of the variety breeder. The 1991 UPOV Convention is still under discussion. In contrast to the patent process, used in the United States, these Conventions allow the use of a Plant Variety Protection (PVP) to develop another variety without having to pay a fee.

Biotechnology

Biotech Seeds Authorized to be Planted in France

There are 4 biotech events of transformation present in 15 crop varieties currently authorized to be cultivated in France under Directive 90/220:

- Novartis Bt-176 corn, corn borer resistant,
- Monsanto MON 810 corn, corn borer and sesamia resistant,
- AgrEvo (now Aventis) T25 corn, herbicide tolerant,
- Altadis ITB-1000-OX tobacco, herbicide-tolerant.

The 1998 de facto moratorium stopped any new approvals for cultivation. Despite the number of biotech crop varieties approved to be produced, none is grown commercially in France because French farmers fear they could not sell their biotech harvest. They last planted 2,000 ha of Novartis Bt-176 corn in 1998 found no market in France and therefore had to export it to Spain. Since then, French farmers have not tried to produce a biotech crop commercially. Although most French corn growers support biotechnology, their customers (the starch and feed industries) demand non-biotech corn.

Open Field Test Plots

A number of tests are being conducted on biotech crops in laboratories, greenhouses and open fields. In 2003, there were 32 new biotech tests conducted in open fields (a small increase from 2002), including the 14 new authorizations made by the French MinAg in May after its new public consultation procedure through internet (see report FR3018 dated 4/23/03, and FR3035 dated 7/17/03), and multi-annual authorizations made in the past years. Most of the biotech crops grown on test plots for experimentation are corn varieties. Their characteristics are corn borer resistance, herbicide tolerance (glyphosate and glufosinate), resistance to water stress, and corn rootworm resistance. Some tests are also conducted on biotech rapeseed, grass, tobacco, and poplar.

A complete description of these field trials is available on the French MinAg biotech website at:

<http://www.ogm.agriculture.gouv.fr>

(For more information on this website, see FR3047, dated 9/11/2003)

In summer 2003, anti-biotech activists destroyed about 20 biotech test plots, all of them in corn varieties (see report FR3052, dated 9/23/2003, for more details). To protest against these, and for being able to freely to conduct their research work, a large number (approximately 2000) of French scientists signed a petition that was sent to the French government.

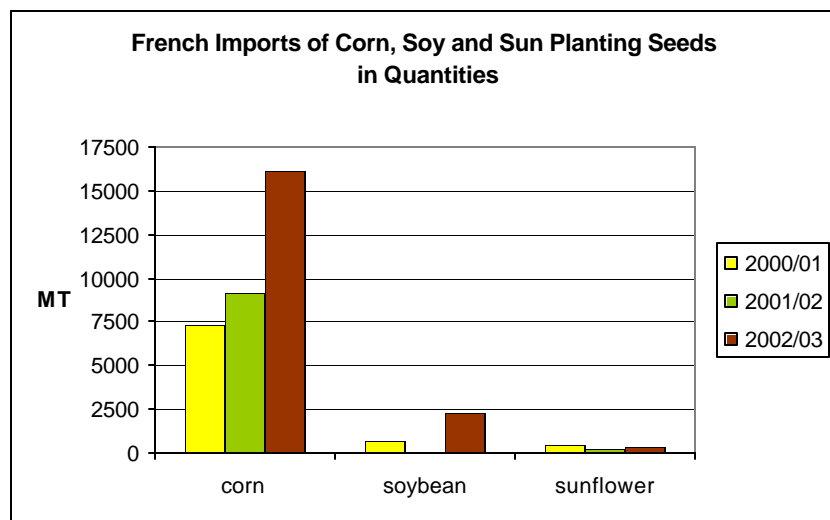
In 2003, there were 0.60 ha of biotech corn seed multiplication. Over the past few years, the area planted to biotech corn seeds for multiplication under contract went down from 2,000 ha in 1998 to 6.3 ha in 2001 and zero in 2002.

Corn seed multiplication and production was significantly affected by the heavy drought faced by France during spring and summer 2003. While the corn seed multiplication area had increased in 2003 from 2002, yields are estimated to have declined by approximately 20%.

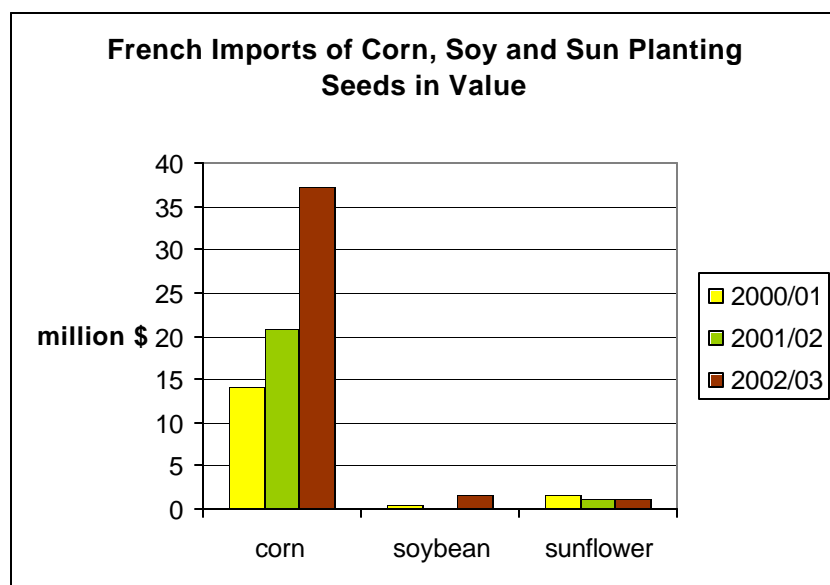
Trade

France is the world's third leading exporter of planting seeds after the United States and the Netherlands. In 2001/02, French exports of planting seeds amounted to 526.82 million Euros. France's leading exports were corn and sorghum seeds (46 percent) and vegetable/flower seeds (22 percent). In 2001/02, total French imports of planting seeds amounted to 318.27 million Euros. The main planting seeds imported by France were corn and sorghum seeds (29 percent), vegetable and flower seeds (21 percent), and sugarbeet seeds (18 percent).

France has a trade deficit in planting seeds with the United States. The largest categories of planting seeds of interest imported by France from the United States are corn seeds, soybean seeds and sunflower seeds. The graphs below indicate that the leading category in value and quantity is, by far, corn seeds. Imports of corn seeds have been significantly growing in the past three years.



Source: Eurostat



Source: Eurostat

As indicated in the trade matrix, U.S. corn planting seeds compete with Hungarian and Chilean products on the French market, as well as domestically-grown seeds. The United States was France's leading supplier of corn planting seeds in 2002/03, with 36% market share in value and 34% market in quantity.

The decline in imports from Hungary in MY 02/03 resulted from the low yields recorded in seed multiplication in the past few years in this country.

Section II: Statistical Tables

Trade Matrices

Total Planting Seeds

Export Trade Matrix - France Planting Seeds, Total MY July-June in million Euros		
Exports for:	2000/01	2001/02
U.S.	14.42	12.18
Others		
Germany	125.08	127.2
Netherlands	64.37	66.99
Italy	61.04	63.41
Spain	41.75	46.42
Belgium	34.43	35.65
Total for Others	326.67	339.67
Others not Listed	162.32	174.97
Grand Total	503.41	526.82

Sources: GNIS and French Customs

Import Trade Matrix - France Planting Seeds, Total MY July-June in million Euros		
Exports for:	2000/01	2001/02
U.S.	37.05	38.83
Others		
Netherlands	81.22	101.86
Germany	49.01	49.15
Hungary	13.12	25.99
Belgium	25.16	22.34
Chile	16.49	17.27
Denmark	15.48	13.03
Italy	8.7	5.81
Total for Others	209.18	235.45
Others not Listed	40.39	43.99
Grand Total	286.62	318.27

Corn Seeds

Import Trade matrix in value:

Import Trade Matrix - France Corn Seeds (100510) MY July-June in million \$			
	2000/01	2001/02	2002/03
U.S.	14.17	20.86	37.31
Others			
Hungary	10.27	20.79	19.45
Chile	8.52	11.38	9.53
Germany	4.19	6.34	9.20
Spain	2.12	5.43	8.82
Netherlands	8.88	7.90	3.74
Austria	2.29	3.64	3.53
Total of Other	36.27	55.48	54.27
Others not Listed	7.46	10.66	12.26
Grand Total	57.90	87.00	103.84

Source: Eurostat

Import Trade matrix in quantities:

Import Trade Matrix - France Corn Seeds (100510) MY July-June in MT			
	2000/01	2001/02	2002/03
U.S.	7299	9132	16075
Others			
Hungary	7890	11563	9426
Chile	5417	6373	4560
Germany	1890	4728	4477
Spain	3979	2543	3769
Netherlands	5486	6909	1712
Austria	1739	1490	1076
Total of Other	26401	33606	25020
Others not Listed	3201	4498	6277
Grand Total	36901	47236	47372

Tariff Table

	Customs Codes	Planting Seeds	French Tariffs (%)
Chapter 7	07011000	Potato	4.5
	07129011	Sweet Corn (Hybrid)	exempted
	07131010	Peas (Pisum sativum)	exempted
	07133310	Common Bean	exempted
	07139010	Other Dry Beans	3.2
Chapter 10	10019010	Spelt	12.8
	10019091	Soft Wheat	95 Euros per MT
	10030010	Barley	93 Euros per MT
	10051011	Double Hybrid Corn	exempted
	10051013	Three Way Hybrid Corn	exempted
	10051015	Single Hybrid Corn	exempted
	10051019	Other Hybrid Corn	exempted
	10061010	Rice	7.7
	10070010	Sorghum	6.4
Chapter 12	12010010	Soybean	exempted
	12021010	Peanuts	exempted
	12040010	Flaxseed	exempted
	12051010	Rapeseed with low content in erucic acid	exempted
	12060010	Sunflower	exempted
	12071010	Palm nuts	exempted
	12072010	Cotton	exempted
	12073010	Castor Seed	exempted
	12074010	Sesame	exempted
	12075010	Mustard	exempted
	12076010	Carthame	exempted

12079110	Garden Poppy	exempted
12079920	other oilseeds (including hemp)	exempted
12091000	Sugarbeet	8.3
12092100	Alfalfa	2.5
12092210	Red Clover	exempted
12092280	Other Clover	exempted
12092311	Meadow Fescue	exempted
12092315	Typical red Fescue	exempted
12092380	Other fescue	2.5
12092400	June Grass	exempted
12092510	Italian Ryegrass	exempted
12092590	English Ryegrass	exempted
12092600	Herd's Grass	exempted
12092910	Vetch+Rough Meadow Grass+ Orchard's Grass+Bent Grass	exempted
12092950	Lupines	2.5
12092960	Other Beets	8.3
12092980	Other Forage	2.5
12093000	Flower Seeds	3
12099110	Turnip-Rooted Cabbage	3
12099190	Vegetable Seeds	3
12099910	Forestry Seeds	exempted
12099991	Ornamental Seeds	3
12099999	Other	4